

Viragen Files Patent Application For Drug To Target SARS

PLANTATION, FLORIDA – May 20, 2003 – Viragen, Inc. (AMEX: "VRA") today announced that it has filed a patent application covering the use of natural human leukocyte-derived alpha interferon for the treatment and prevention of severe acute respiratory syndrome (SARS).

"Previous reports have identified alpha interferon as a prime candidate for the treatment of SARS," stated Viragen's Director of Research (Emeritus), Professor William H. Stimson. "Groundbreaking research has determined that the main causing agent of SARS belongs to the coronavirus family. Previous studies in experimental coronavirus infections have found that a relatively high dosage of alpha interferon (9 MIU/day), begun shortly before virus challenge, provided protection against both infection and illness.¹ We believe natural, leukocyte-derived interferon is worthy of consideration in the experimental treatment of SARS and we are supporting appropriate research in this important area by providing samples of our product to international research organizations for evaluation."

Background:

The majority of alpha interferons that are marketed are single-subtype recombinant interferons. Therapy resistance is not unusual with recombinant interferons with a significant percentage of patients failing to respond to standard therapy. In some instances, recombinant interferon is rejected by the patient's immune system, usually caused by the formation of neutralizing antibodies which may lead to a loss of clinical efficacy. Also, many patients cannot tolerate the adverse side-effects sometimes associated with recombinant therapy. High doses of recombinant interferon may cause serious, even life-threatening side effects.

The Natural Choice

Viragen has observed that in many cases, especially when higher dosages are required, its natural interferon appears to offer many advantages to recombinant interferon regimens, particularly against viral diseases:

- Natural interferon is very similar to interferon secreted by the human immune system during a normal virus infection, significantly lowering the risk of the drug being rejected.
- Natural interferon contains the multiple subtype composition that is characteristic of interferon produced by the human body. It is believed that this may result in a broader spectrum of anti-viral activity with each subtype perhaps showing a specific biological activity.
- Natural interferon does not appear to cause the formation of neutralizing antibodies.
- Natural interferon is significantly less immunogenic than recombinant interferon. It should be far better tolerated by patients with fewer side effects and thus allow for higher doses to be administered to maximize the benefits of the therapy.

About SARS:

According to the World Health Organization, a cumulative total of 7864 probable SARS cases with 643 deaths have been reported from 32 countries with the highest concentrations reported in China, Hong Kong and Taiwan. Currently, there is no effective

treatment for SARS and global health agencies are seeking to evaluate p
strategies.

About Viragen, Inc.

Viragen is a biotechnology company specializing in the research, development and commercialization of natural and recombinant protein-based drugs designed to treat a broad range of viral and malignant diseases. These protein-based drugs include human natural alpha interferon, monoclonal antibodies, peptide drugs and therapeutic vaccines. Viragen's strategy also includes the development of Avian Transgenic Technology for the large-scale, cost-effective manufacturing of its portfolio of protein-based drugs, as well as offering Contract Manufacturing for the entire biopharmaceutical industry.

Viragen is publicly traded on the American Stock Exchange (VRA). Viragen's majority owned subsidiary, Viragen International, Inc., is publicly traded on the Over-The-Counter Bulletin Board (VGNI). Viragen's key partners and licensors include: Roslin Institute, Memorial Sloan-Kettering Cancer Center, National Institutes of Health, Cancer Research UK, University of Nottingham (U.K.), University of Miami, America's Blood Centers and the German Red Cross.

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